



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal No. 16-65)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Pam Young, DSCA/SE&E-RAN, (703) 697-9107.

The following is a copy of a letter to the Speaker of the House of Representatives,
Transmittal 16-65 with attached Policy Justification and Sensitivity of Technology.

Dated: December 9, 2016.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

DEC 02 2016

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 16-65, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance for the Government of Finland for defense articles and services estimated to cost \$156 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

For J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 16-65

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Finland

(ii) Total Estimated Value:

Major Defense Equipment* \$57 million

Other \$99 million

TOTAL \$156 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Ninety (90) Multifunctional Information Distribution System Joint Tactical Radio System (MIDS-JTRS) Variant(s)

Non-MDE includes:

Follow-on equipment and support for Finland's F/A-18 Mid-Life Upgrade (MLU) program includes software test and integration center upgrades, flight testing, spare and repair parts, support and test equipment, transportation, publications and technical documentation, personnel training and training equipment, U.S.

Government and contractor technical and logistics support services, and other related elements of logistics support.

(iv) Military Department: Navy

(v) Prior Related Cases, if any:

FMS case FI-P-SAA \$2.4 billion – 9 Jun 1992

FMS case FI-P-SAB \$675 million – 7 Feb 1994

FMS case FI-P-GAD \$25 million – 13 Jul 2001

FMS case FI-P-LBB \$63 million – 4 Aug 2001

FMS case FI-P-LBC \$127 million – 1 Jan 2004

FMS case FI-P-LBD \$252 million – 25 Jul 2007

FMS case FI-P-LBH \$307 million – 3 Apr 2009

FMS case FI-P-GAU \$170 million – 27 Jun 2013

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Annex Attached

(viii) Date Report Delivered to Congress: December 2, 2016

*as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Government of Finland – F-18 Mid-Life Upgrade Program

The Government of Finland has requested a possible sale of follow-on equipment and support for Finland's F/A-18 Mid-Life Upgrade (MLU) program, consisting of: Ninety (90) Multifunctional Information Distribution System Joint Tactical Radio System (MIDS-JTRS) variant(s). The proposed program support also includes software test and integration center upgrades, flight testing, spare and repair parts, support and test equipment, transportation, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor technical and logistics support services, and other related elements of logistics support. Total estimated program cost is \$156 million.

This proposed sale will contribute to the foreign policy and national security objectives of the United State by helping to improve the security of a friendly country which has been and continues to be an important force for political stability and economic progress in Europe.

The Finnish Air Force (FAF) intend to purchase this MLU program equipment and services to extend the useful life of its F/A-18 fighter aircraft and enhance their survivability and communications connectivity. The FDF needs this upgrade to keep pace with technology advances in sensors, weaponry, and communications. Finland has extensive experience operating the F/A-18 aircraft and will have no difficulty incorporating the upgraded capabilities into its forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractors will be Raytheon in Waltham, Massachusetts; Lockheed Martin in Bethesda, Maryland; The Boeing Company in St. Louis, Missouri; BAE North America in Arlington, Virginia; General Electric in Fairfield, Connecticut; General Dynamics in West Falls Church, Virginia; Northrop Grumman in Falls Church, Virginia; Rockwell Collins in Cedar rapids, Iowa; ViaSat in Carlsbad, California; and Data Link Solutions in Cedar Rapids, Iowa. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require multiple trips to Finland involving U.S. Government and contractor representatives for technical reviews, support, and training.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 16-65

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The Multifunctional Information Distribution System Joint Tactical Radio System (MIDS-JTRS) is not classified but is considered a COMSEC Controlled Item (CCI). There are no training devices, associated documentation, or services to be provided with the sale of these MIDS-JTRS units. No sensitive information is provided or associated with this sale.

2. All defense articles and services listed in this transmittal have been authorized for release and export to the Government of Finland.

[FR Doc. 2016-29973 Filed: 12/13/2016 8:45 am; Publication Date: 12/14/2016]